SUPPLEMENT NUMBER TWO DATED 24 JANUARY 2020 TO THE BASE PROSPECTUS DATED 12 JULY 2019

Transport for London

(*established in England*)

£5,000,000,000

Euro Medium Term Note Programme

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 12 July 2019 as supplemented by Supplement Number One dated 5 August 2019 (the "**First Supplement**") (together, the "**Base Prospectus**") prepared by Transport for London (the "**Issuer**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to £5,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

The purpose of this Supplement is to:

- update the section relating to credit ratings;
- update and supplement the section relating to risk factors;
- update certain disclosure matters contained within the section relating to the TfL Group disclosure; and
- update the significant change statement to reflect recent developments.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

1. The references on the cover page of the Base Prospectus and in the 'Credit Rating' section on page 11 of the Base Prospectus to the ratings outlook from Fitch should be updated to replace '(rating watch negative)' with '(stable outlook)'.

2. The following paragraph shall be added into the 'Risk Factors' section appearing on pages 5-13 of the Base Prospectus:

   Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets

   *The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate friendly and other environmental purposes ("**Green Projects**"). Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and consult with their legal or other advisers before making an investment in any such Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.*

   In particular, no assurance is given by the Issuer or any Dealer that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. None of the Dealers shall be responsible for the ongoing monitoring of the use of proceeds in respect of any such Notes.

   Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given by the Issuer, the Dealers or any other person to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects. In addition, no assurance can be given by the Issuer, the Dealers or any other person to investors *that any Notes will comply with any future standards or requirements regarding any "green", "sustainable" or other equivalently-labelled performance objectives and, accordingly, the status of any Notes as being "green" or "sustainable" (or equivalent) could be withdrawn at any time.*

No assurance or representation is given by the Issuer, the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of the Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

3. The 'Risks relating to withdrawal of the United Kingdom from the European Union' paragraph appearing on page 9 of the Base Prospectus under the 'Risk Factors' section is deleted in its entirety and replaced with the following:

   *On 23 June 2016, the UK held a referendum (the "**Referendum**") on whether the UK should remain a member of the European Union. The UK voted to leave the European Union ("**Brexit**") and, on 29 March 2017, the UK Government invoked Article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the Article 50 withdrawal agreement). On 17 October 2019 the EU leaders agreed to a revised withdrawal agreement. Following the general election on 12 December 2019 it is likely that the UK will leave the EU on 31 January 2020 subject to a limited transitional arrangement. Nevertheless, there remains some uncertainty as to when the UK will leave the EU. Negotiations around the UK's future relationship with the EU will continue throughout the transition period and as such there will continue to be uncertainty around the future relationship between the UK and the EU. Until the Brexit negotiation process and transition period is completed, it is difficult to anticipate the potential impact on the business of the TfL Group. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to meet its payment obligations under the Notes.*

4. References to the head office address on page 14 of the Base Prospectus in the section 'Corporate Description' and to the Issuer's principal office on pages v, 57, 58, 76 and 92 shall be updated to:

   5 Endeavour Square, Stratford, London E20 1JN.

5. The last sentence of 'The Transport Strategy and the Business Plan' section on page 14 of the Base Prospectus shall be updated to:

   The Mayor's Transport Strategy was most recently reflected in TfL's December 2019 Business Plan.

6. The table setting out members of the 'Executive Team' appearing on page 15 of the Base Prospectus (as initially updated by the First Supplement) shall be updated as follows:

a. Vernon Everitt's position as 'Interim Managing Director, London Underground' shall be replaced with Andy Lord as 'Managing Director of London Underground and TfL Engineering';

b. Vernon Everitt's position as Managing Director, Customers, Communication and Technology shall no longer be caveated with a footnote reading:

   ** Vernon Everitt's direct reports will each lead Customers, Communication & Technology for a period of time while he is working with London Underground and TfL engineering;*

c. Mike Brown's position as Commissioner shall be caveated with a footnote reading:

   ** Mike Brown will be leaving Transport for London in May 2020. A full recruitment process for a replacement Commissioner is underway;* and

d. the addition of Lilli Matson with position as 'Chief Safety, Health and Environment Officer'.

7. The last sentence of the first paragraph 'Docklands Light Railway' under the 'Rail' section on page 19 of the Base Prospectus shall be deleted and replaced with the following:

   The operation of train services and facilities and the maintenance of rolling stock, stations and infrastructure (with the exception of the Lewisham Extension (as defined below) infrastructure) across the DLR network was let under a franchise agreement with Keolis Amey Docklands Limited which has been extended to 2025.

8. The 'Crossrail and TfL Rail/Elizabeth line' section appearing on page 20 of the Base Prospectus the section shall be deleted in its entirety and replaced with the following:

   *The Crossrail project ("**Crossrail**") will provide a high frequency railway service from Reading and Heathrow in the west, to Shenfield and Abbey Wood in the east. The central section will run through the West End, the City of London and Canary Wharf and include 21 kilometres of new twin bore rail tunnels.*

   *The construction of the central section of Crossrail and the integration of the whole railway are being taken forward by Crossrail Limited ("**CRL**"), a wholly owned subsidiary of TfL.*

   *The governance arrangements under which Crossrail is being delivered (the "**Core Agreements**") were signed by TfL, DfT and CRL in December 2008 and comprise the key legal agreements that govern Crossrail:*

   - *the Sponsors Agreement between DfT and TfL which governs the relationship between DfT and TfL (together the "**Sponsors**"); and*
   - *the Project Development Agreement between DfT, TfL and CRL, which governs the relationship between the Sponsors and CRL, and sets out CRL's obligations to deliver Crossrail in accordance with the Sponsors' requirements.*

In 2010, the total headline funding envelope for Crossrail, including certain scope delivered by parties other than CRL, was set at £14.8 billion, of which TfL's contribution was capped at £7.1 billion. The funding contributions came from various sources, including the DfT, the GLA and TfL. Under certain circumstances, a put option granted by the Secretary of State for Transport to TfL would have allowed TfL to put ownership of CRL, including its liabilities, onto DfT.

In August 2018, CRL announced that more time was needed to complete the central section of Crossrail, originally planned to open in December 2018. To cover the related additional capital costs of completing the central section (the amount of which was not confirmed by CRL at the time), further funding was agreed between DfT, the GLA and TfL. This comprised of a £150 million grant from DfT to TfL together with a separate £150 million TfL contribution, a £1.4 billion grant from the GLA to TfL and a £750 million loan facility from DfT to TfL. The funds are to be drawn gradually to meet the project's cash requirements

As part of the above funding arrangement the Sponsors Agreement and Project Development Agreement were supplemented in 2019 to reflect the additional funding for the project as well as certain changes to governance. The ability to put the ownership of CRL, including its liabilities, onto DfT was removed.

In November 2019, CRL announced that the expected capital costs of the project could further exceed the additional £2.45 billion funding package, described above, by £400 million - £650 million depending on the level of assumed risk contingency. It is envisaged that these additional amounts will be funded in a similar way to the previous funding package. The additional funds are not expected to be required until 2021.

In January 2020, CRL announced that it plans to open the central section in summer 2021, two and a half years later than originally planned. It is expected that, following the opening of the central section, full services across the Elizabeth line route from Reading and Heathrow in the west to Abbey Wood and Shenfield in the east will commence by mid-2022. As a result of the delay in commencing the services, TfL's forecast increase in fare revenues will also be delayed.

TfL will be responsible for the provision of Crossrail services, with RfLL providing the direct management. The infrastructure in the central section will be managed by another TfL subsidiary, Rail for London (Infrastructure) Limited.

Services are operated through a concession agreement with MTR Corporation (Crossrail) Limited for an eight-year period, with the right to extend for a further two years. This concession commenced in May 2015 at the first stage of the Crossrail opening strategy, with services operating under the name "TfL Rail" between Liverpool Street and Shenfield. From May 2018, TfL Rail services also began operating from Paddington to Hayes and Harlington and Heathrow, replacing the Heathrow Connect services. In December 2019, TfL Rail took over services from Paddington to Reading. When the central section opens, TfL Rail services will be renamed as the Elizabeth line. Full services across the Elizabeth line will commence as soon as possible after the opening of the central section.

Crossrail fares will be integrated with the rest of the TfL network largely based on the current zonal structure and the TfL Group will retain the revenues.

9. The following paragraph shall be added below the 'London's Roads section' on page 21 of the Base Prospectus:

Silvertown Tunnel

In November 2019, TfL entered into a Public Private Partnership agreement with Riverlinx Limited for the design, build, finance, and maintenance of the Silvertown Tunnel, a new 1.4km twin-bore road tunnel underneath the River Thames in East London. The scheme is anticipated to open in 2025 and is forecast to be funded from new user charging revenues on the Silvertown and Blackwall tunnel crossings.

10. The last sentence of the Commercial Activity section on page 21-22, shall be amended to read:

Through its subsidiary, TTL Earls Court Properties Limited, TfL holds a 37 per cent equity interest in Earls Court Partnership Limited, a joint venture previously formed with Capital and Counties Properties PLC (Capco). In December 2019 Capco's interest in the Earl's Court Partnership Limited was acquired by a joint venture between Delancey, on behalf of its client fund, and APG.

11. The first paragraph of the section entitled 'Significant Change' appearing on page 75 of the Base Prospectus under the 'General Information' section (as initially updated by the First Supplement) is deleted in its entirety and replaced with the following:

Since 31 March 2019, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries, save that there has been (i) an improvement of £395.4 million from the surplus on the provision of services before tax of £573.2 million in the 40 weeks to 5 January 2019 to £968.6 million in the 40 weeks to 4 January 2020 primarily reflecting £514.1 million of additional grant income received in the relevant period (ring fenced for the Crossrail project) (ii) a decrease in current liabilities of £170.8 million primarily driven by a reduction in the short term creditors balance of £185.3 million and short term provisions balance of £111.5 million, partially offset by an increase in short term borrowings of £157.0 million in the period from 31 March 2019 to 04 January 2020 (iii) an increase in long term borrowings of £111.6 million due to funds raised in the period from 31 March 2019 to 4 January 2020; and (iv) an increase in long term assets of £991.4 million resulting from net tangible fixed asset additions of £1,068.1 million in the 40 weeks to 4 January 2020.